

Annual  
Report  

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2014-15

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***ATLAS***  
**CYCLES**



# ATLAS CYCLES (HARYANA) LIMITED

SONEPAT-131001

CIN : L35923HR1950PLC001614

[www.atlasbicycles.com](http://www.atlasbicycles.com)

## BOARD OF DIRECTORS :

Mr. Hari Krishan Ahuja (DIN: 00315876), Non Executive Director  
Mr. Hira Lal Bhatia (DIN: 00159258), Non Executive Director  
Mr. I.D. Chugh (DIN: 00073257), Whole Time Director  
Mr. Vikram Khosla (DIN: 01574818), Independent Director  
Mr. Kartik Roop Rai (DIN: 06789287), Independent Director  
Mr. Sanjiv Kavaljit Singh (DIN: 00015689), Independent Director  
Ms. Veena Buber (DIN: 07163537), Non Executive Director

## COMPANY SECRETARY

Mr. Jaspreet Singh

## REGISTERED OFFICE :

Atlas Road Industrial Area  
Sonepat -131001 (Haryana)

## SECRETARIAL AUDITORS :

Messers Mukesh Arora & Co.  
Company Secretaries, Delhi

## BANKERS :

Central Bank of India  
Punjab National Bank  
Bank of Baroda

## BOARD COMMITTEES :

### Audit Committee

Mr. Kartik Roop Rai (DIN: 06789287) Chairman  
Mr. Sanjiv Kavaljit Singh (DIN: 00015689) Member  
Mr. Hira Lal Bhatia (DIN: 00159258) Member

### Stakeholders Relationship Committee

Mr. Hira Lal Bhatia (DIN: 00159258) Chairman  
Mr. I. D. Chugh (DIN: 00073257) Member

### Nomination & Remuneration Committee

Mr. Sanjiv Kavaljit Singh (DIN: 00015689) Chairman  
Mr. Kartik Roop Rai (DIN: 06789287) Member  
Mr. Hira Lal Bhatia (DIN: 00159258) Member

## Risk Management Committee

Mr. Hira Lal Bhatia (DIN: 00159258) Chairman  
Mr. Hari Krishan Ahuja (DIN: 00315876) Member  
Mr. I. D. Chugh (DIN: 00073257) Member

## SONEPAT UNIT

Atlas Road, Industrial Area, Sonepat - 131001  
(Haryana)

## SAHIBABAD UNIT

Plot No. 55, Site-IV, UPSIDC, Industrial  
Area, Sahibabad - 201010 (U.P.)

## MALANPUR UNIT

Plot No. U-16, 17, 21 & 22, Malanpur Industrial  
Area Near Gwalior, Distt. Bhind (M. P.)

## STATUTORY AUDITORS :

Messers Mehra Khanna & Co. Chartered  
Accountants, Delhi

## REGISTRAR AND SHARE TRANSFER AGENTS :

Mas Services Limited  
T-34, 2nd Floor, Okhla Industrial  
Area, Phase-2, New Delhi-110020  
Tel: (011) 26387281, 82, 83

## STOCK EXCHANGE(S) WHERE COMPANY'S SECURITIES ARE REGISTERED

National Stock Exchange of India Limited  
BSE Limited  
Delhi Stock Exchange Limited

## E-MAIL

[companylaw@atlasbicyclesonepat.com](mailto:companylaw@atlasbicyclesonepat.com)

## WEBSITE

[www.atlasbicycles.com](http://www.atlasbicycles.com)

## CORPORATE IDENTITY NUMBER

CIN : L35923HR1950PLC001614

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## DIRECTORS' REPORT

CIN: L35923HR1950PLC001614

### TO THE MEMBERS:-

Your directors are delighted to present Sixty Fourth Annual Report of your Company along with the audited statement of accounts for the year ended 31st March 2015.

### FINANCIAL HIGHLIGHTS

Particulars	( $\text{₹ In Lacs}$ )			
	2014-15		2013-14	
OPERATING PROFITS/(LOSSES)	(1832.53)		40.02	
ADD : PROFIT ON SALE OF ASSETS	623.51		13.16	
ADD : PROFIT ON SALE OF MUTUAL FUND	124.84		74.52	
ADD : DIVIDEND INCOME	56.71	805.06	16.99	104.67
		(1027.47)		144.69
LESS: FINANCE COST	1107.43		922.01	
DEPRECIATION	662.85	1770.25	713.34	1635.35
		(2797.72)		(1490.66)
LESS: PROVISION FOR TAX		902.48		483
		(1895.24)		(1007.66)
ADD : PROFIT BROUGHT FORWARD		(857.93)		149.73
		(2753.17)		(857.93)

### PRODUCTION

During the year under consideration, the Company produced 23,00,923/- bicycles as against 25,87,585 bicycles in the previous year.

### SALES

Sales during the year amounted to ₹ 594.59 Crore including the sales to foreign countries as against ₹ 650.11 Crore including the sales to foreign countries in the previous year.

### TRANSFER TO RESERVES

The Company proposes to transfer ₹ NIL to the General Reserve for the year 2014-15 as against ₹ NIL to General Reserve in the previous year.

### EXPORTS

During the period under consideration your Company exported bicycles and bicycle components to several countries thereby earning valuable foreign exchange of ₹ 2791.09 Lacs.

The company continued its efforts to increase sales in export market due to which it achieved better export earning than last year, despite stiff competition.

### SHARE CAPITAL

The paid up Equity Share Capital as at 31st March 2015 stood at ₹ 3,25,19,190/- i.e. 23,51,919 Equity Shares of ₹ 10 Each. During the year under review, the Company has not issued shares with differential voting rights nor has granted any stock options or sweat equity. As on 31st March 2015, none of the Directors of the Company hold instruments convertible into equity shares of the Company.

### DIVIDEND

During the year under review, your company has not declared

any Dividend for the financial year ended 31st March 2015 due to losses.

### CONSOLIDATED ACCOUNTS

The Consolidated Financial Statements of the Company are prepared in accordance with relevant Accounting Standards viz. AS-21, AS-23 and AS-27 issued by the Institute of Chartered Accountants of India and forming part of this Annual Report. The three wholly owned subsidiary companies of the Company are yet to commence their business.

### PERFORMANCE OF THE UNITS

Performance of Sahibabad unit was good during last financial year. New range of high end ULTIMATE series introduced last year got encouraging response from the market; thus a lot of new models were further added to it. Unit is in the process of launching alloy bicycles vide a new series called MAGNUM in the Ultra Premium segment.

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for the year under review, as stipulated under clause 49 of the Listing Agreement with the Stock Exchange, is presented in a separate section forming part of the Annual Report.

### DIRECTORS

Mr. Hari Krishan Ahuja (DIN: 00315876) is retiring by rotation at this Annual General Meeting and, being eligible, offers himself for reappointment.

Further, pursuant to clause 49 (IV) (E) (iv) of the Listing Agreement, the shareholders may take note that Mr. Hari Krishan Ahuja, Non Executive Director of the Company holds Nil equity shares in the Company as on the date of this report.

In compliance with the requirement of Clause 49 of the Listing Agreement for appointment of Woman Director in the Company, the Board of Directors of the Company appointed Ms. Veena Buber (DIN: 07163537) as Additional Director of the Company on 26th March 2015 through Resolution by circulation whose appointment was ratified in the Board Meeting held on 29th April, 2015. She holds the office of Additional Director up to the date of ensuing Annual General Meeting of the Company and is eligible for appointment as Independent Woman Director of the Company for the tenure of 5 years effective from 30th September 2015.

### KEY MANAGERIAL PERSONNEL

In the capacity of Key Managerial Personnel, the company has

1. Mr. Ishwar Das Chugh, Whole Time Director
2. Mr. Chander Mohan Dhall as Manager / Chief Executive Officer & Chief Financial Officer (In the capacity of Chief Financial Officer, he takes care of Malanpur Unit of the Company only)
3. Mr. Jaspreet Singh, Company Secretary

### PERFORMANCE OF BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, a healthy discussion was held among directors after taking into consideration of the various aspects of the Board's functioning, composition of the Board and its Committees, culture, execution and performance of specific duties, obligations and governance.

The performance evaluation of the Independent Directors was completed. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors. The Board of Directors expressed their satisfaction with the evaluation process.

#### **NUMBER OF MEETINGS OF THE BOARD**

There were total 10 number of Board Meetings held during the financial year 2014-15. Further details are provided in the Corporate Governance Report.

#### **DEPOSITS (INCLUDING LOANS FROM MEMBERS)**

Unclaimed deposits aggregating to ₹ 21,000 pending for more than 7 years, have been credited to Investors Education and Protection Fund of Government of India.

The Company is in process of repaying all its deposit holders and is not further accepting deposits from the public or members.

#### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statement.

#### **WHISTLE BLOWER MECHANISM**

The Company has a whistle blower policy to report genuine concerns or grievances. The Whistle Blower Policy has been posted on the website of the Company.

#### **REMUNERATION AND NOMINATION POLICY**

The Board of Directors has framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. This policy also lays down criteria for selection and appointment of Board Members. The details of this policy are explained in the Corporate Governance Report.

#### **RELATED PARTY TRANSACTIONS**

All transactions entered with Related Parties for the year under review were on arm's length basis and in the ordinary course of business and that the provisions of Section 188 of the Companies Act, 2013 are not attracted. Thus disclosure in form AOC-2 is not required. Further, there are no material related party transactions during the year under review with the Promoters, Directors or Key Managerial Personnel. The Company has developed a Related Party Transactions framework through Standard Operating Procedures for the purpose of identification and monitoring of such transactions.

All Related Party Transactions are placed before the Audit Committee on quarterly basis for confirmation. Omnibus approval was obtained on a yearly basis for transactions which are repetitive in nature subject to further approval in case actual transactions are found to be exceeding the omnibus approval. A statement giving details of all Related Party Transactions are placed before the Audit Committee for review on quarterly basis.

A Policy on Material Related Party Transactions as approved by the Board of Directors has been uploaded on the website of the Company. None of the Directors has any pecuniary relationship or transactions vis-à-vis the Company.

#### **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

There are no significant and material orders passed by the Regulators / Courts that would impact the going concern status of the Company and its future operations.

#### **CORPORATE GOVERNANCE**

The Company complies with the clauses of Listing Agreement entered into with the National Stock Exchange of India Limited, BSE Limited and Delhi Stock Exchange Limited where the Company's shares are listed. It may be noted that the Delhi Stock Exchange has been de-recognized by SEBI. Further, in terms of the provisions of Clause 49 of the Listing Agreement, your Company has complied with the requirements of Corporate Governance and a Report on Corporate Governance together with certificate from the Company's Auditors confirming compliance, is set out in a statement, which forms part of this Annual Report.

#### **EXTRACT OF ANNUAL RETURN**

The details forming part of the extract of the Annual Return in form MGT-9, as required under Section 92 of the Companies Act, 2013, is annexed to this Report and forms an integral part of this Report.

#### **STATUTORY AUDITORS AND AUDITORS' REPORT**

M/s Mehra Khanna & Co., Chartered Accountants, (Firm Registration Number: 01141N) were re-appointed in the 63rd Annual General Meeting for a period of 3 years upto the conclusion of 66th Annual General Meeting. Their appointment is proposed to be ratified at the forthcoming Annual General Meeting. As required under the provisions of Section 139 of the Companies Act, 2013, the Company has obtained written confirmation from M/s Mehra Khanna & Co. that their appointment, if made, would be in conformity with the limits specified in the said Section. The qualifications or remarks in the Auditor's Report read with Notes to financial statements are self explanatory.

#### **SECRETARIAL AUDITOR AND SECRETARIAL AUDITOR'S REPORT**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made thereunder, the Company has appointed M/s Mukesh Arora & Company, a firm of Company Secretaries in Practice (Certificate of Practice Number : 4405) to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is included as Annexure – B and forms an integral part of this Report. The secretarial audit qualifications for the year under review requiring clarification by the Board of Directors are replied by the Board of Directors and form part of the Secretarial Audit Report.

#### **COST AUDIT**

As per the requirement of Central Government and pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, your Company is not required to carry out audit of cost records relating to Bicycle Industry. Accordingly, your Company did not appoint Cost Auditor in this financial year. However, Cost Audit Report for the financial year 2013-14 was duly filed with the Ministry of Corporate Affairs.

## **INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

Your Company has an effective internal control and risk mitigation system, which are constantly assessed and strengthened with new/revised standard operating procedures. The Company's internal control system is commensurate with its size, scale and complexities of its operations. The Company has appointed Mr. Harish Kumar Arora as Internal Auditor of the Sonepat Unit of the Company, Mr. Gopal D. Girdharwal, as Internal Auditor of the Sahibabad Unit of the Company and Mr. Chander Mohan Dhall, as Internal Auditor of the Malanpur Unit of the Company. The main thrust of internal audit is to test and review controls, appraisal of risks and business processes, besides benchmarking controls with best practices in the industry.

The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of internal control systems.

## **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

Requirements relating to Corporate Social Responsibilities as envisaged in Schedule VII of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014 are not applicable on our Company.

## **HUMAN RESOURCE DEVELOPMENT AND INDUSTRIAL RELATION**

Your Company strives to provide the best working environment with ample opportunities to grow and explore. Your Company maintains a work environment that is free from physical, verbal and sexual harassment. Every initiative and policy of the Company takes care of welfare of all its employees. The human resource development function of the Company is guided by a strong set of values and policies. The details of initiatives taken by the Company for the development of human resource are given in Management Discussion and Analysis Report. The Company maintained healthy, cordial and harmonious industrial relations at all levels throughout the year.

## **STATUTORY INFORMATION**

The information required under Section 197(12) of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors' Report for the year ended 31st March 2015 is given in a separate Annexure to this Report.

The above Annexure is not being sent along with this Report to the Members of the Company in line with the provision of Section 136 of the Companies Act, 2013. Members who are interested in obtaining these particulars may write to the Company Secretary at the Registered Office of the Company. The aforesaid Annexure is also available for inspection by Members at the Registered Office of the Company, 21 days before the 64th Annual General Meeting and upto the date of the ensuing Annual General Meeting during the business hours on working days.

None of the employees listed in the said Annexure is a relative of any Director of the Company. Apart from Mr. Vikram Kapur, President of Sonepat Unit, Mr. Rajiv Kapur, Joint President of Sonepat Unit, Mr. Gautam Kapur, Joint President of Sahibabad Unit, Mr. Girish Kapur, Joint President of Sahibabad Unit and Mr. Sanjay Kapur, Joint President of Malanpur Unit, none of the employees holds (by himself or along with his spouse and dependent children) more than two percent of the equity shares

of the Company.

The Business Responsibility Reporting as required by Clause 55 of the Listing Agreement with the Stock Exchanges is not applicable to your Company for the financial year ending 31st March 2015.

## **PERSONNEL AND PARTICULARS OF EMPLOYEES**

The industrial relations with the workers and staff of the Company remained cordial throughout the year. There was unity of objective among all levels of employees, continuously striving for improvement in work practices and productivity. Training and development of employees continue to be an area of prime importance. Only in Malanpur Unit of the Company there were some concerns due to closing down of the Malanpur Unit in the month of October 2014.

Particulars of the employees as required under section 197 (12) of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors' Report for the year ended 31st March 2015 is given in a separate Annexure to the Report.

## **LISTING OF COMPANY'S EQUITY SHARE**

Your Company's shares continue to be listed on BSE Limited, National Stock Exchange of India Limited and Delhi Stock Exchange Limited. Since Delhi Stock Exchange has been de-recognized by the SEBI, the annual listing Fee for the year 2014-2015 has been paid to BSE Limited and National Stock Exchange of India Limited.

## **SUBSIDIARY COMPANIES / ASSOCIATE COMPANIES**

Statement of Accounts of the subsidiaries together with statement in Form AOC-1 under section 129(3) of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014 are annexed herewith. There are no associate companies as per definition given in Section 2(6) of the Companies Act, 2015.

## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

The information under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 for the year ended 31st March 2015 is given here below :

### **CONSERVATION OF ENERGY**

#### **SONEPAT UNIT**

The following measures were taken for Conservation of energy:-

- a) New OLTC type transformer of 1600 KVA rating has been installed in place of two old transformer of 1250 KVA and 1000 KVA to reduce losses.
- b) Installed 1500KVA fuel efficient Diesel engine in place of old 500 KVA slow speed diesel engine.
- c) Installation of Natural Wind Air Exhaust to replace exhaust fan in Granodising area.
- d) Roots Blower of 5 HP installed in place of 25 HP capacity for energy saving.
- e) All Sodium Vapor fittings of 250 watt and 400 watt replaced with LED street light of 40 Watt for energy saving.



- f) Transparent sheet installed in plant for natural light.
- g) New water wall changed of 4 ton boiler to reduce consumption of fuel and increase efficiency.
- h) Two new compressor VFD type installed in place of old compressors for energy saving.
- i) VFD drives installed in Phosphating plant for energy saving.
- j) Modified Furnace design for better heating and longer life of Cruisibel.

#### **SAHIBABAD UNIT**

The following measures were taken for Conservation of energy:-

- A hot water generator was installed to replace two boilers to save energy.
- An energy efficient oven being installed for tail end white paint baking to replace the old process of baking by IR bulbs.

#### **TECHNOLOGY ABSORPTION**

##### **SAHIBABAD UNIT**

- Slat conveyors were introduced to increase the productivity of standard Frames in Assembly Section.
- Higher capacity Rectifiers were installed at Debrassing stage to increase productivity of Frames in Tubular Section.

#### **FOREIGN EXCHANGE EARNING AND OUTGO**

Total foreign exchange earned: ₹ 2791.09 lacs

Total foreign exchange used: ₹ 2835.35 lacs

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

To the best of knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement in terms of Section 134(3)(c) of the Companies Act, 2013 that:

- I. In the preparation of the Annual Accounts for the year ended 31st March 2015, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- II. The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2015 and of the loss of the Company for that period;
- III. The directors had taken proper and sufficient care for the

maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities, to the best of the knowledge and ability of the Directors.

- IV. The Annual Accounts have been prepared on a going concern basis.
- V. The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- VI. The Directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **REPORT ON THE PERFORMANCE AND FINANCIAL POSITION OF EACH OF THE SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES**

The Company has 3 (three) subsidiary companies viz. Atlas Cycles Sonepat Limited, Atlas Cycles (Sahibabad) Limited and Atlas Cycles (Malanpur) Limited. These companies are yet to commence its business and accordingly there is no performance to reflect during the year. Apart from these, the Company do not have any associate companies and joint venture companies.

#### **ACKNOWLEDGEMENT**

The Board of Directors wishes to place on record its appreciation for the commitment, dedication and hard work done by the employees of the Company and the cooperation extended by Banks, Government authorities, customers and shareholders of the Company and looks forward to a continued mutual support and co-operation.

**HARI KRISHAN AHUJA**  
(DIN: 00315876)

**Non-Executive Director**  
147, Jor Bagh,  
New Delhi – 110003

**ISHWAR DAS CHUGH**  
(DIN: 00073257)

**Whole Time Director**  
I-73, Narain Vihar,  
New Delhi – 110028

} DIRECTORS

Date : 7<sup>th</sup> September, 2015  
Place : Delhi

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2015  
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

To,

The Members,

ATLAS CYCLES (HARYANA) LIMITED

Atlas Road, Industrial Area

Sonepat -131001 (Haryana) India.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **ATLAS CYCLES (HARYANA) LIMITED** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on **31st March 2015 ('Audit Period')** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter :  
I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31st March 2015** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz.: —
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **(Not Applicable to the Company during the Audit Period)**;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock

Purchase Scheme) Guidelines, 1999 **(Not Applicable to the Company during the Audit Period)**;

- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not Applicable to the Company during the Audit Period)**;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not Applicable to the Company during the Audit Period)**; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not Applicable to the Company during the Audit Period)**;
- (VI) and other applicable laws like Factories Act, 1948, The Payment of Gratuity Act, 1972.

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India **(Not applicable to the Company during audit period)**.
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange (**BSE**), National Stock Exchange (**NSE**) and Delhi Stock Exchange (**DSE**). During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, **subject to the following observations :-**

**Observation No.1 Non-compliance of Revised Clause-49 (IV), 49 (VI) of Listing agreement and section 178(1) of Companies Act, 2013 and Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014, regarding constitution of Nomination and Remuneration Committee and Risk Management Committee.**

**Company's Response:** Now the Company has complied with aforementioned provisions of listing agreement. The Company has constituted Nomination and Remuneration Committee and Risk Management Committee in the board meeting held on 5th March 2015.

**Observation No.2 Non-Compliance of Clause-41 of Listing Agreement regarding delayed submission of financial result for the year ended 31st March, 2014, the quarter ended 30th September, 2014 and the quarter ended 31st December, 2014.** Company has also received notices of penalty in this regard from the Stock Exchanges (NSE/BSE) .

**Company's Response:** The Audited financial results for the year ended 31st March, 2014 & other unaudited quarterly results were not compiled timely due to ostensible reason that there was system error in Malanpur Unit which led to some operational difficulties in the reconciliation of financial results of all three units of the Company viz. Sonepat, Sahibabad and Malanpur and audit thereof.

**Observation No.3 Non-compliance of section 74 of**



*Companies Act, 2013 and Rule 20 of Companies (Acceptance of Deposit) Rules, 2014 regarding filling a Statement regarding deposits existing as on the date of commencement of the Act in form DPT-4 and Repayment of deposits outstanding as on 31st March, 2014 till the end of the financial year. However, the Company is repaying its fixed deposits as and when they are becoming due.*

**Company's Response:** Due to financial constraints because of heavy losses incurred by the company in the last year as well as in the current year, company is repaying fixed deposits as and when they are becoming due for repayment as per their scheme of fixed deposits.

**I further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decision at Board Meeting and Committee are carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**For Mukesh Arora & Co.**

**Company Secretaries**

**Mukesh Arora**

**F.C.S No. 4819**

**C.P No. 4405**

**New Delhi, 03rd September, 2015**

**This report is to be read with our letter of even date which is annexed as Annexure-A and forms an integral part of this report.**

**Annexure A**

To

The Members

ATLAS CYCLES (HARYANA) LIMITED

Atlas Road, Industrial Area

Sonepat -131001 (Haryana) India.

Our report of even date is to be read along with this letter

1. Maintenance of Secretarial Record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on audit
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in secretarial records. I believe that the process and practices, we followed provide a reasonable basis for our opinion
3. I have not verified that correctness and appropriateness of financial records and books of Accounts of the company
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable, laws, rules, regulations, standards is the responsibility of management. Our Examination was limited to the verification of procedures on test basis
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

**Signature:**

**Date: 3rd September, 2015**

**Place: New Delhi**

**(Mukesh Arora)**

**Practicing Company Secretary**

**Member ship No. 4819**

**Certificate of Practice No. 4405**

**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**  
**As on financial year ended on 31.03.2015**  
**Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company**  
**(Management & Administration) Rules, 2014.**

**I. REGISTRATION & OTHER DETAILS:**

1.	CIN	L35923HR1950PLC001614
2.	Registration Date	31st march,1950
3.	Name of the Company	Atlas cycles (Haryana) limited
4.	Category/Sub-category of the Company	Public company /limited by shares
5.	Address of the Registered office & contact details	Atlas road industrial area Sonapat –131001 (haryana)
6.	Whether listed or Unlisted	Listed
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	MAS SERVICES LIMITED T-34, 2nd floor, okhla industrialArea, phase-2, New Delhi-110020 Tel: (011) 26387281, 82, 83

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)**

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Manufacturers Of Bicycles and parts and accessories	3761 & 3768	100%

**III. PARTICULARS OF HOLDING,SUBSISIARY AND ASSOCIATE COMPANIES**

S. No.	Name and address of the company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable Section
1	Atlas Cycles (Malanpur) Limited	U35929HR1999PLC034259	SUBSIDIARY	100%	2(87)
2	Atlas Cycles (Sahibabad) Limited	U35929HR1999PLC034260	SUBSIDIARY	100%	2(87)
3	Atlas Cycles Sonapat Limited	U35929HR1999PLC034261	SUBSIDIARY	100%	2(87)

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**  
**Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2014]				No. of Shares held at the end of the year [As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/ HUF	771110	62639	833749	25.64	771310	62639	833949	25.65	0.01
b) Central Govt	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) State Govt(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Bodies Corp.	33532	587084	620616	19.08	33532	587084	620616	19.08	Nil
e) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Any other	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Total shareholding of Promoter (A)</b>	<b>804642</b>	<b>649723</b>	<b>1454365</b>	<b>44.72</b>	<b>804842</b>	<b>649723</b>	<b>1454565</b>	<b>44.73</b>	<b>0.01</b>